



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 2, 1996

Robert E. Dunne
Project Manager
Kennecott Utah Copper
P.O. Box 352
Bingham Canyon, Utah 84006

Re: Final Permit Approval, Kennecott Utah Copper, Tailings Modernization Project - North Impoundment Expansion, M/035/015, Salt Lake County, Utah

Rele
Dear Mr. Dunne:

On January 24, 1996 the Board of Oil, Gas and Mining conditionally approved the form and amount (\$17,485,000) of reclamation surety for Kennecott Utah Copper's Tailings Modernization Project. Their approval was conditioned upon the successful completion of the 30-day public comment period for this project. The public comment period expired at 5:00 PM, January 29, 1996. No substantive comments were received by the Division. The Board's approval of the amount and form of surety is now final.

The reclamation surety is in the form of a Letter of Credit (#S-867562) issued by Morgan Guaranty Trust Company. Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files.

The Division hereby grants its final approval of this project and the reclamation surety. Our final approval is conditioned upon Kennecott's acceptance of the following condition:

1. Kennecott will consolidate the permitting documents as provided to the Division (original application and the three subsequent supplements) into one complete and concise permit application. Please revise the text and figures in those sections of the original application to include the technical information contained in the supplemental documents. You do not need to incorporate the Acidification or Gypstack Characterization Reports into the consolidated permit application. Appropriate references to these documents in the text of the application will suffice. Please provide us with two copies of this consolidated application. The Division requests that we receive the consolidated copies in our office no later than March 18, 1996.



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Thank you and your staff for your patience and continued cooperation which allowed us to reach a successful conclusion to this complicated permitting action. Please call me or Wayne Hedberg of my staff, should you have any questions in this regard. We look forward to working with you as we develop and refine the final details of the long-term monitoring plan for the tailings expansion project.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb
Enclosure *- RC & security doc - fully executed*
cc: John Whitehead, Utah DWQ - w/o enclosure
Mike Schwinn, ACOE - w/o enclosure
M035015.apr